



**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
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July 10, 2014

**By ECF**

The Honorable Vincent L. Briccetti  
Federal Building and United States Courthouse  
300 Quarropas Street  
White Plains, NY 10601-4150

**Re: SEC v. Colangelo, 12-cv-8439 (VLB)**

Dear Judge Briccetti:

We write to provide a status update regarding settlement negotiations in this case. The defendant in this case, Stephen Colangelo, pled guilty in a parallel criminal proceeding to two counts of securities fraud and two counts of wire fraud on December 19, 2013, and was sentenced before Judge Robert Sweet on April 3, 2014. The stay of civil proceedings was lifted by the Court on May 29, 2014 (Docket No. 17).

The SEC has since engaged Mr. Colangelo in settlement discussions and has forwarded him proposed settlement papers. Settlement discussions may take longer than usual because Mr. Colangelo appears *pro se* and is incarcerated. We propose further updating the Court on the status of settlement negotiations no later than September 19, 2014, or by any other date convenient to the Court. We are available for a status conference at the Court's convenience.

Respectfully submitted,

A handwritten signature in cursive script that reads "Christina McGill".

Christina M. McGill

cc: The Honorable Lisa M. Smith, United States Magistrate Judge (by ECF)  
Stephen A. Colangelo, Jr., Defendant, *pro se*